

FranchiseInsights.com has reported Business Startup Sentiment Trends data with monthly surveys since January 2020. The Small Business **Startup Sentiment Index™** (SSI) is derived from a monthly survey of individuals who have recently inquired about businesses or franchises for sale on the digital assets of [FranchiseVentures](#). This survey was conducted July 24-31, 2023.

Norfolk, Virginia – Released August 9, 2023

Small Business Startup Sentiment Index™ (SSI)

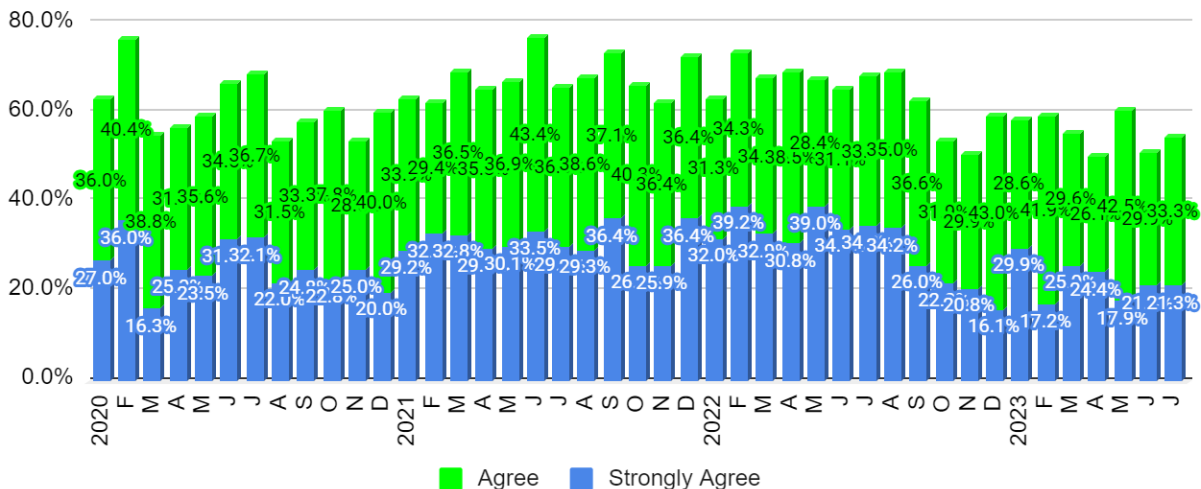
Percentage of Business Startups Planned For Next Three Months Grows on Improving Sentiment

STARTUP SENTIMENT RISES

In July 2023, 29.6% of aspiring business owners say they are planning to launch their startups **“in the next month”** reflecting an uptick in near-term sentiment. At the same time, 52.8% of entrepreneurs planned their startups within the next three months, and 83.3% within the next twelve months. Now 54.6% of survey respondents either agree or strongly agree that **“now is a good time to start a business”** and 75.9% of respondents see conditions for business startups **“the same or better in three months.”** Fully 65.7% of entrepreneurs surveyed say they are **“more likely to launch their startups than three months ago.”** [FranchiseInsights.com](#) compiles monthly the **Small Business Startup Sentiment Index™** (SSI) of individuals who have recently inquired about businesses for sale.

54.6% of Respondents Agree Now a Is Good Time for Startup

Source: FranchiseInsights.com Startup Sentiment Index™, July 2023



The survey was conducted July 24-31 2023. The continuing trend in entrepreneurial optimism parallels the ongoing [surge in new business applications](#) since September 2020 as reported by the US Census Bureau. These relatively sanguine views on conditions for business startup are consistent with improving consumer sentiment over the last two months as seen in [The Conference Board's Survey of Consumer](#)

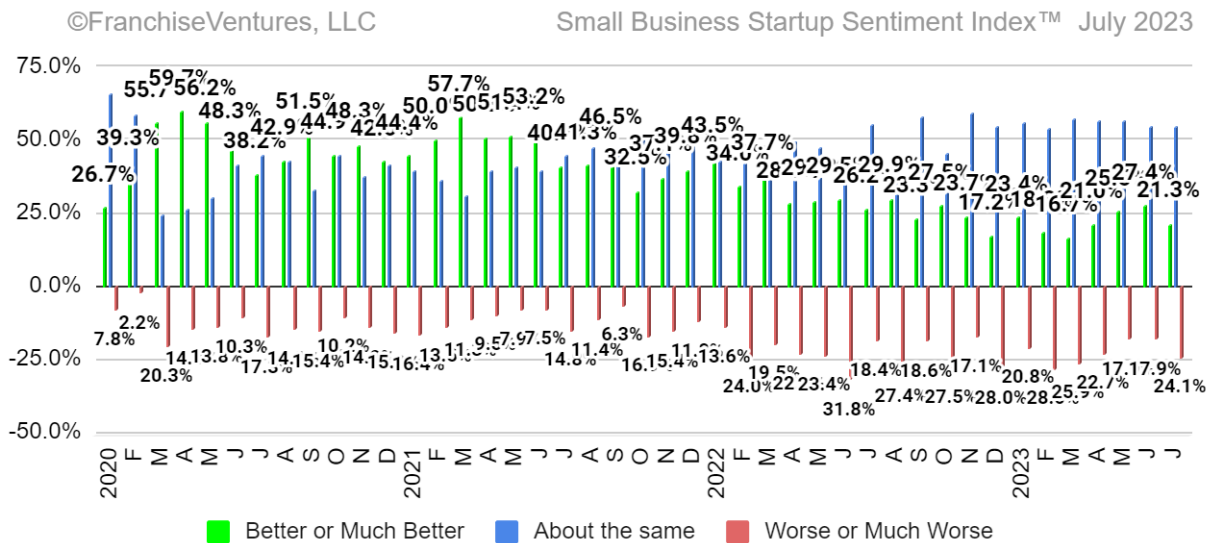
[Confidence](#) and The University of Michigan Consumer Sentiment Surveys as seen on the [St. Louis Federal Reserve's FRED website](#), with both measures generally improving since June 2022.

SENTIMENT: THINGS ARE PRETTY GOOD NOW – NO NEED TO WAIT

Reversing a multi-year downtrend in sentiment about future business conditions, **75.9% of respondents see conditions no worse – staying the same or getting better in three months**– with 54.6% seeing conditions “about the same.”

Now only 21.3% of respondents believe that in three months, conditions will be **“better or much better”** than now, down from the 50-60% readings at the height of the pandemic. This is consistent with improving consumer confidence, and comfort with near-term business conditions. Slightly more (24.1%) see conditions **“worse or much worse”** in the same time frame.

75.9% See Conditions the Same or Better in Three Months



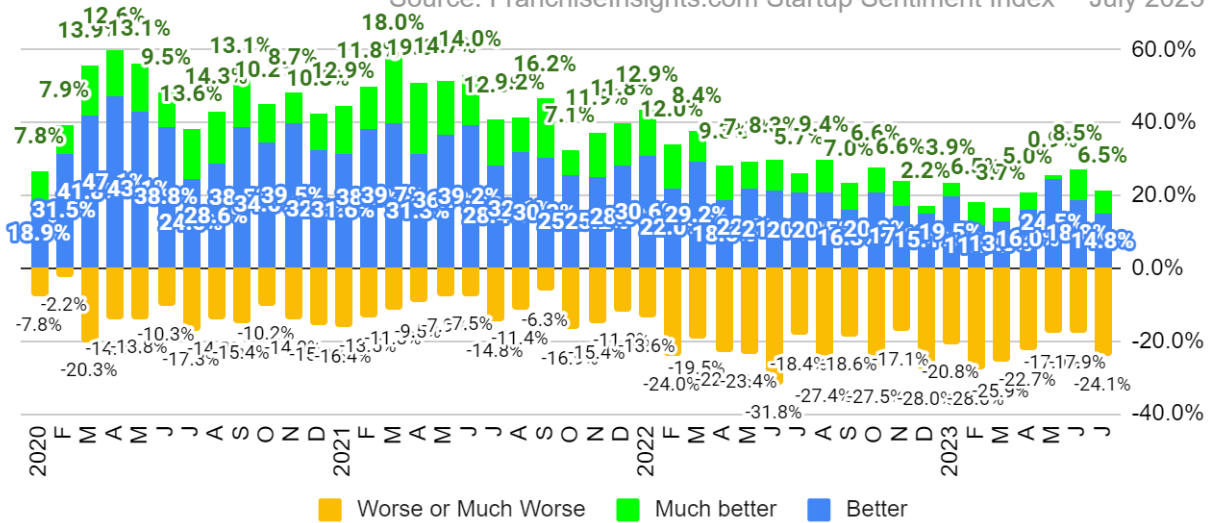
RESPONDENT SENTIMENT BETTER THAN 3 MONTHS AGO

Respondents are more upbeat now about starting or buying their business than they were three months ago. In July 2023, 65.7% of those responding indicated that they were **“more or much more likely to start a business now than three months ago.”** With 23.1% **“about the same,”** that means that 88.9% are as likely or more likely to launch their startups than they were three months ago.

The percentage of survey respondents who were **“less or much less likely to start a business than three months ago”** came in at 11.1%, near the 11.4% average over the most recent 12 months.

Current Optimism Means Less Improvement in Three Months

Source: FranchiseInsights.com Startup Sentiment Index™ July 2023



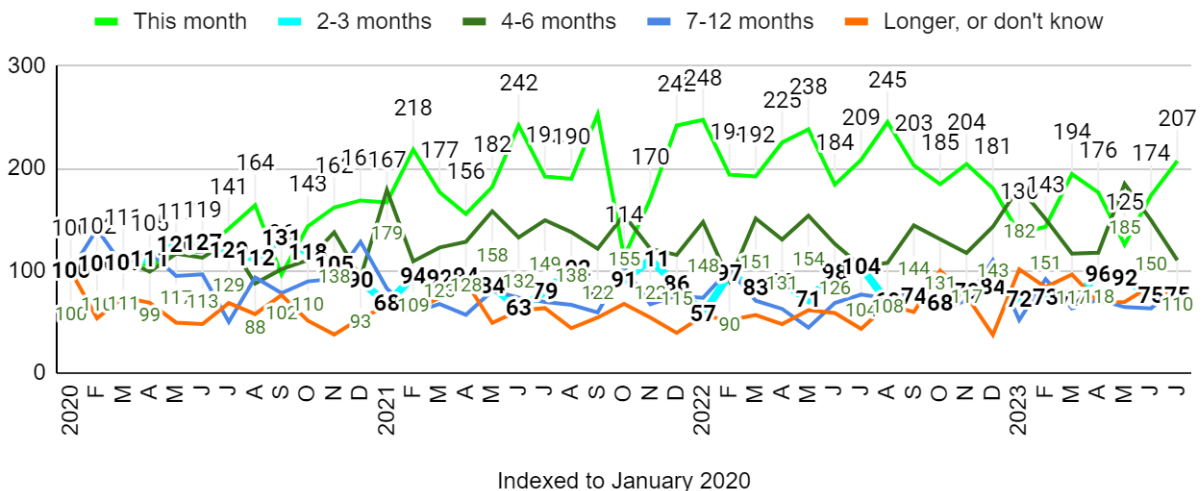
‘THIS-MONTH’ TIME FRAME LEADS AGAIN

In July 2023, entrepreneurs expressing intent to start or buy **“this month”** indexed to January 2020 rose to 207% of responses (more than doubled). The index of aspiring business owners planning startups in the **“next 2-3 months”** stayed at 75% of the January 2020 reference point. Now 15.7% are expecting to launch in 4-6 months, and 16.7% of respondents are pushing their startups for 12 or more months out.

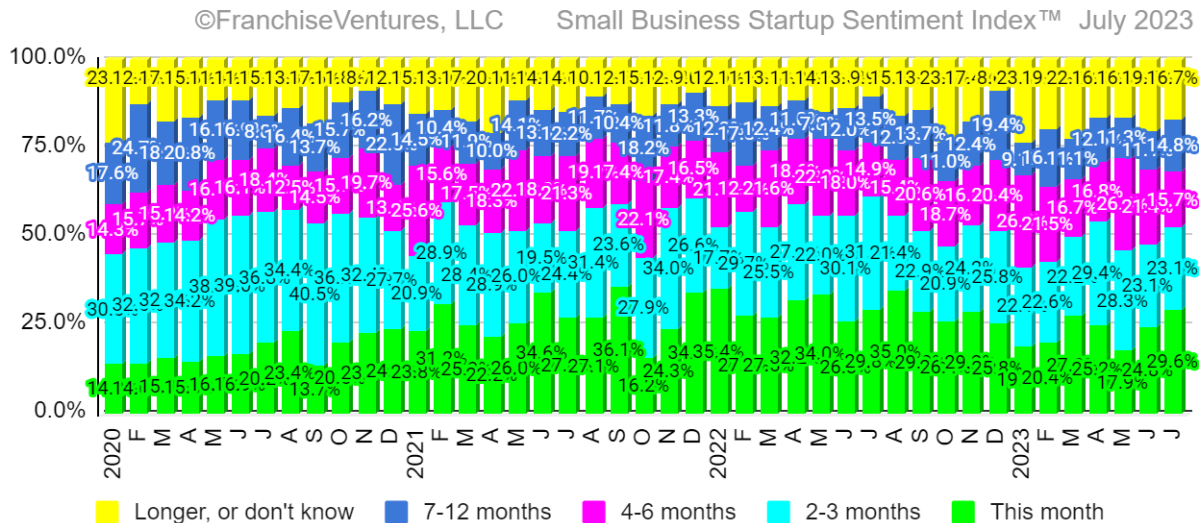
This month, 52.8% of respondents expressed **intent to start or buy their businesses** within the next three months, up from January’s record low of 41.6% and the previous record low reading of 44.2% during the height of the Omicron wave in October 2021. Startup intentions in the **“next four to six months”** are at 15.7%, bringing the total with intent to start within 6 months to 68.5% of respondents.

'This Month' Startup Timeframe Returns to Historical Levels

Source: FranchiseInsights.com Startup Sentiment Index™ July, 2023

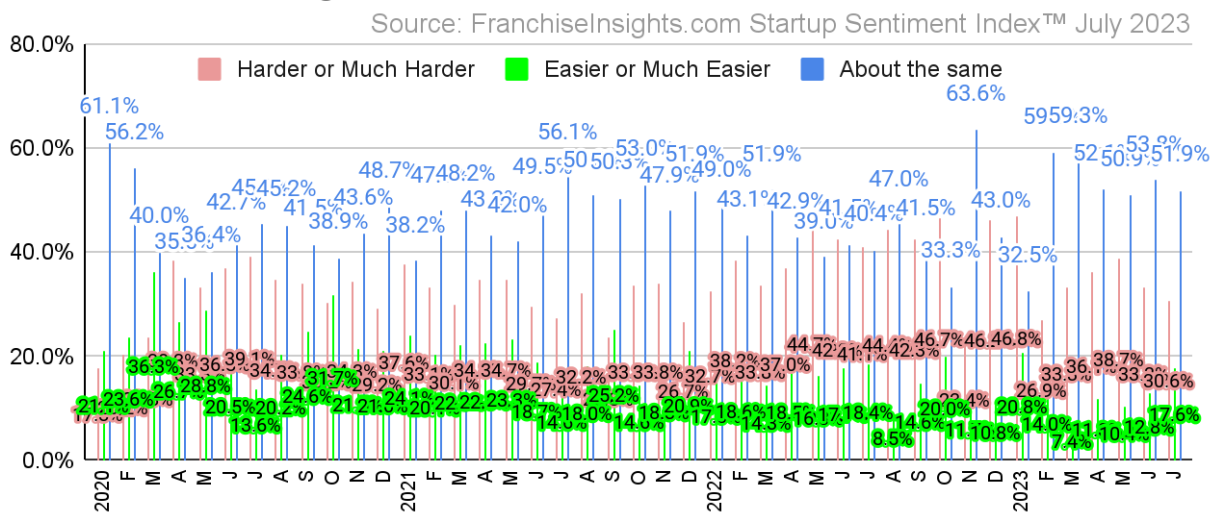


52.8% of Startups Planned Within Next Three Months



FUNDING ACCESS KEY, BUT ABOUT THE SAME IN THREE MONTHS

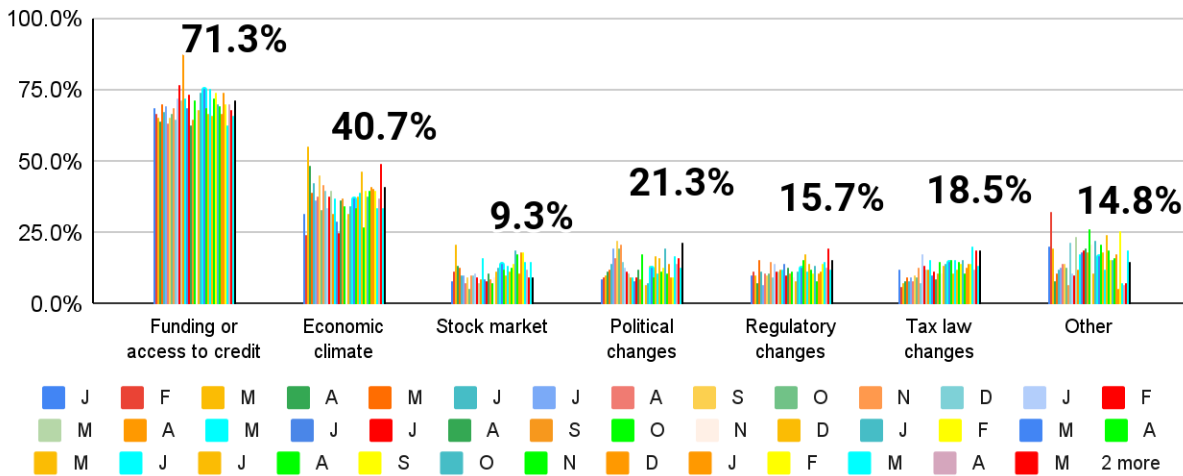
30.6% See Funding Harder in the Next 3 Months; 51.9% the Same



As access to funding remains a primary startup issue, prospective business owners are showing ongoing concerns about availability of startup financing in recent months, with 30.6% seeing it getting **“harder or much harder”** three months from now. Now 51.9% see access to funding in three months being **“about the same”** and 17.6% see it getting **“easier or much easier”** despite all the news about tightening credit and a potential economic slowdown.

71.3% Say Funding or Access to Credit the Biggest Factor

Source: FranchiseInsights.com Startup Sentiment Index™ July 2023



With other factors returning slowly to the foreground over the last several months, 71.3% of prospective business buyers cited **“funding or access to credit”** as the factor having the biggest impact on their decisions to buy or start a business, but down significantly from the high seen in April 2021 at 87.6%. Beyond the funding concern, **“economic climate”** is next highest at 40.7%.

With surging stock market indexes since October, only 9.3% of entrepreneurs cited the stock market as having a significant impact on their business startup plans.

PANDEMIC WORRIES FADE

For more than two years, when asked how the pandemic had affected their interest in starting a business or opening a franchise, respondents to the [FranchiseInsights.com](https://www.franchiseinsights.com) Small Business Startup Sentiment Index™ often said that it **“boosts my interest in controlling my own destiny through business ownership.”** That sentiment has fallen to 33.3% of respondents, near the record low of 26.4% set in May 2023, the same month that the US Government declared the Covid public health emergency over.

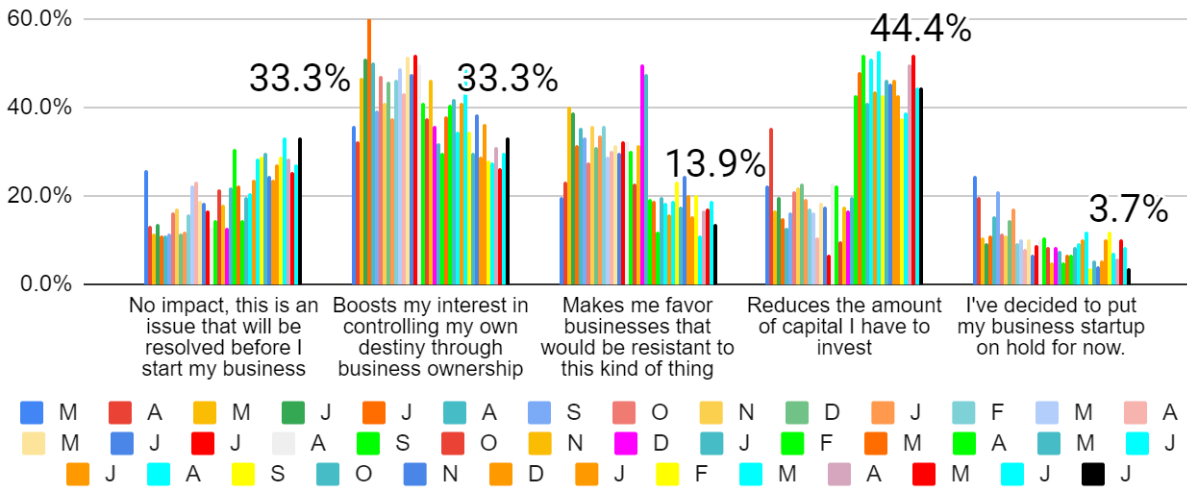
A few months into the pandemic, more respondents began indicating a preference for **“businesses that would be resistant”** to shocks like Covid-19. This sentiment stood at 13.9%, just above the record low of 11.1% in March, and significantly down from the spikes in December 2021 and January 2022 during the Omicron variant surges.

The percentage putting their plans **“on hold”** at 3.7% was a new record low. Conversely, those indicating that **“this is an issue that will be resolved before starting”** their businesses stood at 33.3%, matching the March 2023 record high uptrend.

As the health threat wanes, the societal and business impacts and risks will no doubt be on the minds of consumers and aspiring business owners long into the future.

How does the pandemic affect your interest in business ownership?

Source: FranchiseInsights.com Startup Sentiment Index™ July 2023



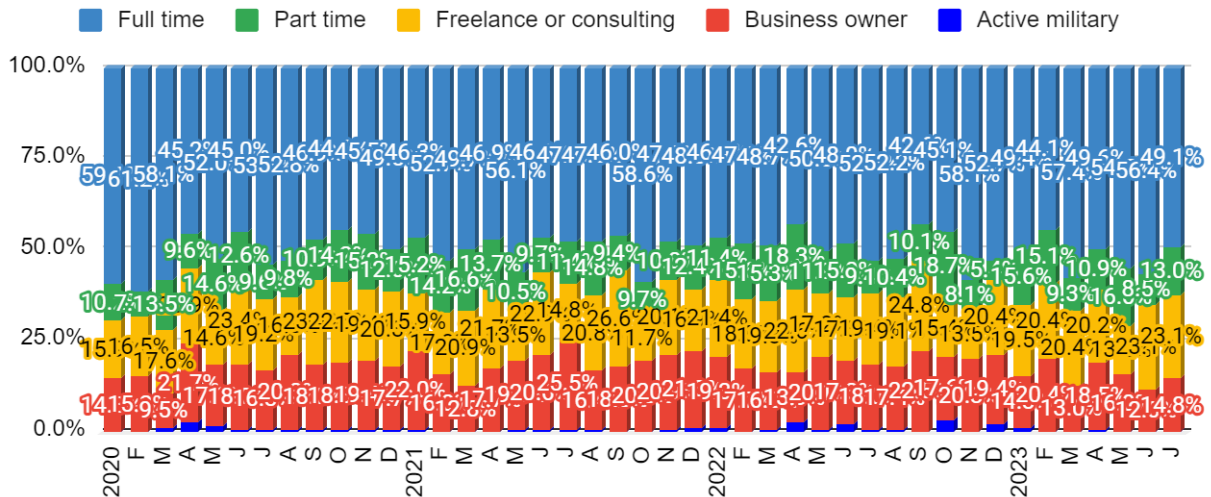
FULL-TIME WORKERS AND GEN-X DOMINATE

Of the survey respondents, 49.1% are currently employed full-time, down from the high of 58.6% seen in October 2021. Current business owners made up 14.8% of respondents, suggesting a desire to upgrade or complement their existing businesses. Combined, full-time workers and current business owners stood at 63.9%.

About 23.1% of respondents were working as freelancers or consultants, and this month less than 1% of the aspiring entrepreneurs in the survey were on active military duty.

49.1% of Aspiring Owners Leaving a Full Time Job; 14.8% are Biz Owners

Source: FranchiseInsights.com Startup Sentiment Index™ July 2023

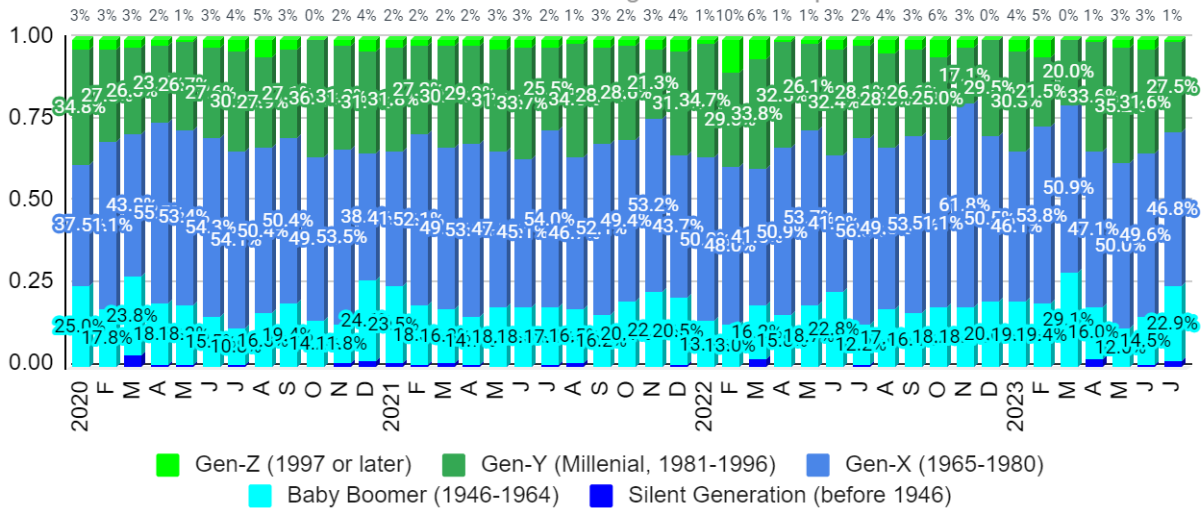


Gen-X dominated with 46.8% of respondents, while Baby Boomers rose to 22.9%. Millennials were 27.5% of respondents. This month, Gen-Z was 1% of respondents, down from the 10% peak seen in February 2022, and the [3.29% share of all](#)

[respondents seen in 2022](#). For the next several years, [millennials and Gen-X will drive business startups as they reach peak business startup ages](#) and Boomers age out of the workplace.

Gen-X Leads Age Cohorts Among Business Owner Aspirants

Source: FranchiseInsights.com Startup Sentiment Index™ June 2023



See also a complete profile of the [generational demographics of aspiring business buyers](#) from a large demographic sample spanning 2018-2021. Further, analysis of [gender demographics of business buyers shows women making up an increasing percentage](#) of aspiring business owners, particularly in the post-Boomer age cohorts.

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[FranchiseVentures](#) is the leading demand- and lead-generation platform for potential franchisees to thousands of growing franchise systems in the United States and Canada. Its franchise directory brands include [Franchise.com](#), [Franchise Solutions](#), [Franchise Gator](#), [Franchise Opportunities](#), [Franchise For Sale](#), [SmallBusinessStartup.com](#) and [BusinessBroker.net](#), and together they provide the largest aggregation of prospective franchise buyers in the U.S.

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